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# Price Communications Corporation

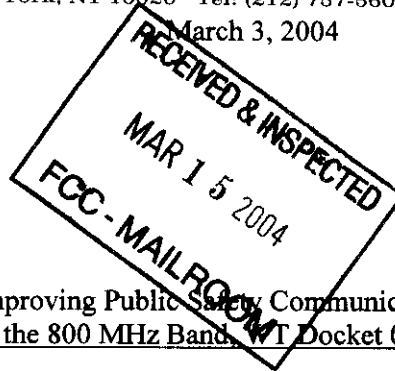
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March 3, 2004

Distribution Center

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 - 12th St., SW, Room TW-A325  
Washington, DC 20554

Re: Improving Public Safety Communications  
in the 800 MHz Band, WT Docket 02-55



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Dear Ms. Dortch,

Price Communications Corporation is a public company traded on the New York Stock Exchange. We have, over the last two decades, owned licenses for more than 30 AM/FM radio stations, more than 10 VHF/UHF network affiliated television stations, and, in more recent years, more than 50 cellular (MSA/RSA) licenses. In addition, we currently own more than 800,000 shares of SBC and 1,100,000 shares of Verizon Communications plus substantial additional Verizon interests. I personally owned FCC radio licenses as far back as 1963.

My confidence in the Commission has always been and remains undiminished but I think a matter of fairness now presents itself in the treatment of Nextel and the 800 MHz band and the position of certain public safety groups. We agree with the public safety community that the Commission should act expeditiously to address interference. The question is how to do so.

As you know, there is a solution that is already before the Commission, which is called "In-Band Realignment." This solution would address public safety's interests by rebanding the 800 MHz band as various public safety groups have requested. It does not, however, appear to us to suffer from certain flaws of the "Consensus" Plan. This corporation urges the Commission to focus on In-Band Realignment as the best rebanding solution that will respond to public safety's needs and also best serve the public interest.

As has been stated by others, Nextel's Consensus Plan relies on realigning the 800 MHz band to eliminate "interleaved" commercial and public safety operations. It would address interference from Nextel's operations to public safety by separating Nextel's and public safety's spectrum and giving Nextel and public safety contiguous spectrum blocks. While Nextel and public safety believe this realignment is the right technical solution to interference, the "Consensus" plan goes far beyond in-band realignment. It also would have the Commission grant Nextel, for free, a 10 MHz block of nationwide, contiguous spectrum at 1.9 GHz. This appears to be unconscionable in light of Congress' and the Commission's auction process, and these desires.

The record in this proceeding amply demonstrates why a giveaway of any 1.9 GHz spectrum is both technically unnecessary and legally and economically unsound. That giveaway would itself do nothing to address public safety's interference problems being caused by Nextel. It would violate the Communications Act and would be inconsistent with many Commission decisions setting rules for modifying licenses. Worse, it would prevent the American public and the Government from benefiting from the value of that spectrum if it were auctioned, as the law requires. And it would grant an unconscionable economic windfall to private equity.

On October 27, 2003, (we are advised) that Verizon Wireless submitted a valuation report prepared by Kane Reece Associates, a national appraisal firm experienced in wireless industry valuations. The report appraises the fair market value of Nextel's current spectrum holdings as well as the value of spectrum that Nextel would acquire under the Consensus Plan.

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It concludes, "If the Consensus Plan were adopted, the value of Nextel's spectrum holdings would increase by \$7.2 billion." This "gift" seems inappropriate. The Kane Reece valuation, which the Commission has received, summarizes two related conclusions regarding the spectrum Nextel would acquire:

- A giveaway of the 1.9 GHz PCS band as outlined in the Consensus Plan would result in a significant windfall to Nextel while denying the public the value of this public resource. The fair market value of 10 MHz at 1.9 GHz is appraised at \$5.3 billion
- Realignment of the 800 MHz band alone will result in an additional windfall to Nextel in the amount of \$2.3 billion, i.e., the fair market value of 6 MHz of contiguous spectrum at 800 MHz (appraised at \$2.3 billion) less Nextel's relinquishment of 8.5 MHz of non-contiguous spectrum at 800 MHz (appraised at \$900 million).

In-Band Realignment would address interference in precisely the same way that the Consensus Plan proposes, by adopting the rebanding proposal that public safety groups have advocated. It would, however, not give away valuable spectrum to a private entity but would auction that spectrum for the benefit of the American public. In short, it would address public safety's needs in a manner that far better serves the public's interest rather than Nextel's own interest

Specifically, In-Band Realignment addresses interference to public safety, does not violate the auction requirement for new spectrum or FCC precedent on license modifications, and preserves the benefits of auction revenues for the public.

In addition, In-Band Realignment fulfills the Commission's goals for efficient spectrum use. The Commission has said many times that auctions are the best mechanism to ensure that spectrum is placed in the hands of entities that can derive the most value from it and thus will make most intensive use of that spectrum, which in turn provides tangible benefits to the public. In-Band Realignment achieves this goal. Giving away 10 MHz of spectrum would not.

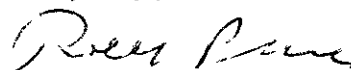
Under both the Consensus Plan and the In-Band Realignment plan, Nextel will receive 6 MHz of additional, contiguous nationwide spectrum adjacent to its existing 10 MHz of 800 MHz spectrum, and thus will benefit substantially. The Commission has several times acknowledged that contiguous SMR spectrum holdings are more valuable than non-contiguous ones.

Because Nextel's occupation of the 821-824 MHz/866-869 MHz band will require the relocation of incumbent public safety (NPSPAC) licensees, the Commission can require Nextel to compensate public safety for those expenses. Moreover, the Commission can require Nextel to pay for relocation expenses incurred by other licensees in the lower 800 MHz band that are displaced by the relocation of NPSPAC licensees to that spectrum. The legal memorandum concludes, "The FCC may require Nextel to bear the costs of relocating incumbent public safety licensees since Nextel would displace them from their spectrum and occupy it for its own use. The Commission has ordered similar measures a number of times in the past and this policy has been sustained by the D.C. Circuit."

The Consensus Plan and In-Band Realignment would both provide the same benefit to public safety. The Consensus Plan, however, also grants a huge, unlawful windfall to a single private entity. In-Band Realignment, by contrast, would make the Government and the American public winners instead of losers. The choice for the Commission should be clear.

Thank you for your attention to these views.

Very truly yours,



Robert Price  
President